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Before the Committee on Commerce

March 8, 2018

Testimony of BioCT (Formerly known as CURE)

"Support for"

***H.B. No. 5280 (RAISED) AN ACT CONCERNING A BIOSCIENCE AND BIOTECHNOLOGY INVESTMENT TAX CREDIT.**

***S.B. No. 266 (RAISED) AN ACT CONCERNING INCENTIVES TO ENCOURAGE THE GROWTH OF BIOSCIENCE VENTURE CAPITAL IN CONNECTICUT.**

***H.B. No. 5275 (RAISED) AN ACT CONCERNING THE BIOSCIENCE INDUSTRY.**

Senator Hartley, Senator Frantz, Representative Simmons, Representative Yaccarino and Members of the Commerce Committee:

My name is Dawn Hocevar and I am President and CEO of BioCT. BioCT is the bioscience industry voice for the state of Connecticut. Our mission is to grow the vibrant bioscience ecosystem in Connecticut by supporting innovation, collaboration, networking, education, talent engagement and advocacy. We bring together companies, institutions, entrepreneurs, investors, government, service providers, and other passionate, dedicated people, to build a thriving community to improve patients' lives and public health, while driving economic growth.

BioCT thanks the committee for raising the above bills and for this opportunity to provide testimony. BioCT supports **H.B. No. 5275** to offer tax credit to emerging companies and we note that the tax credit seems to be limited to \$250,000 - not annually, but in total. Bioscience businesses require a lot of capital, and while that credit might encourage participation from very small funds or angel investors, if they choose to invest in CT bioscience companies in CT, this restriction will likely limit the amount of investment which only supply a small part of a start-up's needs. BioCT recommends that the tax credit be annual and/or have a larger cap. That would have a dramatic effect on small venture capital funds to attract larger amounts of venture capital whereby increasing overall investment in CT

bioscience/biotech companies.

BioCT supports **S.B. 266** which will be very helpful in getting bioscience/biotech investors to stay or locate to CT. This is crucial to the future growth of this industry in CT. The bill will be improved by adding "biotechnology" to "bioscience" (as is done in H.B. 5280) in Section 1 (1) to: "'Bioscience investment ratio' means a ratio, the denominator of which is the total amount of money invested by a qualified venture capital fund plus the total amount of money available for other investments by such fund, and the numerator of which is the total amount of money invested by such fund in bioscience or biotechnology businesses;" and adding the definition of "Biotechnology" from H.B. No. 5280, Section 1 (5): " "Biotechnology" means the application of technologies, such as recombinant DNA techniques, biochemistry, molecular and cellular